

CLEAN ENERGY LEGACY TAKES WING

by Genevieve Cua

The Vyncke family business defines its core values in terms of 3 pillars – ambition, authenticity and alignment



PHOTO: YEN MENG JIIN

THE challenge of generating clean energy is all the rage today, thanks to heightened awareness of the climate crisis. But for around 110 years – long before climate change even began to rear its head – this Belgian family has been engaged in the conversion of biomass and industrial waste into energy.

Vyncke, a pioneer in clean energy technology, was founded in 1912 by blacksmith Louis Vyncke, who conceived of steam boilers to process flax fibres. Amid soaring coal prices at the time, Vyncke's solution was novel and a godsend, harnessing biomass waste to create energy.

That same proposition and technology have become a compelling solution for many industries today, ranging from automotive and wood processing to agriculture. In Singapore, Vyncke's technology is showcased in the iconic Gardens by the Bay, where a steam turbine by Vyncke processes wood and horticultural waste gathered from across Singapore, into electricity for the Gardens and cooling for its conservatories.

Says Peter Vyncke, 4th generation descendant of Louis Vyncke: "A hundred years ago we were doing the same thing but the context today is better than 100 years ago. Our customers do not invest just to take care of the climate. They do it to control their energy costs. To run your factory on biomass is more cost effective than using fossil fuels and that's a good thing. We don't have to appeal to higher moral values."

"When my great-grandfather started there was no Kyoto protocol, and no such thing as global warming. Our customers invested 100 years ago because it made sense."

"That has always been our model. We go to industries and we see their energy needs. Their process has a waste flow, we turn that waste flow into energy. That's why the model is economically viable, because you don't have to buy energy, and there is no need to dispose of waste."

TODAY Vyncke has operations in 9 countries, including Singapore, and 2,600 industrial energy installations in 96 countries. As much as 95 per cent of the business is outside Flanders, and 60 per cent outside the EU. The company is run by Peter, 51, and younger brother Dieter, 43, as co-owners. Their father Dirk, 75, is active as full-time ambassador for the firm and member of the board.

Dirk sowed the seeds of an international presence in the 1970s; the company's first Singapore client was a furniture company. "I moved to Malaysia for the first

time in 1996. I had graduated from university and had two years' training with the company. My father said – go away, prove yourself in the other side of the world."

Vyncke says the broad outlines of how the company converts biomass waste into energy is broadly similar to the process a century ago, albeit strides in engineering and mechanisation have raised efficiency in spades. The range of fuels – from biomass-based to solid-waste fuels – has also expanded prodigiously alongside the various solutions to generate steam, thermal oil and power, among the forms of energy.

AS the climate emergency grows, there is an abundance of so-called low-hanging fruit for the company to pluck from, but Vyncke is selective. He and Dieter are determined to maintain not just the quality of the brand, but also to strengthen the close-knit culture they have woven among staff, who are fondly called "Vynckeneers".

The group's annual turnover has grown by more than 10-fold from 15 million euro (S\$21 million) in 2002 to around 200 million euro today, and staff strength has quadrupled from around 95 then to 400. Last year the group announced its intention to grow into a "proactive industrial group". "With the help of the holding com-

pany, we're going to make a 'family of businesses' out of our family business, with a view to a sustainable future," they said in a statement.

"The challenge today is not to grow the market; the market is there for us... We are among the top five in the world. And I think we're double the size of our next competitor. Customers are willing to accept a longer delivery time to select us because we're 100 years old and we have a very strong brand. We had 100 years to make mistakes and learn from them. Are we more clever? I don't think so. I think we have very intelligent people and because of our strong brand we can attract good people."

"If we grew at 15 per cent instead of 10 per cent, we may affect the culture. And I think you'd have less fun doing your job. That's why growth has never been a strategic goal for our company. Growth is not a goal, it's a means to an end. Why do we grow? Because if you grow, you can do bigger, more complicated projects and challenge your people."

VYNCKE culture sets itself apart with its own lingo, which comes across as quaint but also signals a robust sense of mission. Offices are referred to as "nests" and "settlements". In some communication, Vyncke is referred to

as "commander in chief". "We try to use vocabulary that has a soul and a positive connotation. We never say we have an office because an office is a boring thing. We take things from a military or family context."

VYNCKE defines its core values in terms of three pillars – ambition, authenticity and alignment.

In terms of ambition it has set its sights on becoming a benchmark worldwide, which it has achieved to a large degree. Authenticity is the art of telling it like it is, which can be a challenge in cultures like Asia where hierarchy and respect for elders often set the tone. "I'm very straightforward, people have told me I'm too blunt and it won't work in Asia. But I've learnt from doing business in Africa, Chile, and Colombia that if you're authentic, it's ok."

"It's very important that there is a match between us and our customer... This may sound arrogant but we select our customers; we don't do business with companies whose norms and values differ too much from us... I want the person on the other side of the table to have as much passion and ambition as us, and people do not have to agree with me."

Asia at the moment accounts for less than 20 per cent of the business, but this is set to change. Over the past couple of years, Asia took a back seat as Covid-19 restrictions particularly in China forced a pause. The group has plans to make Singapore its headquarters for African and Asian business. Peter is now based in Singapore.

Meanwhile, the family is determined to protect and enhance its legacy, as embodied in the business and its values. As a child, Vyncke recounts that the family home and business were housed in a single building, and so the ebb and flow of the business was part of his youth.

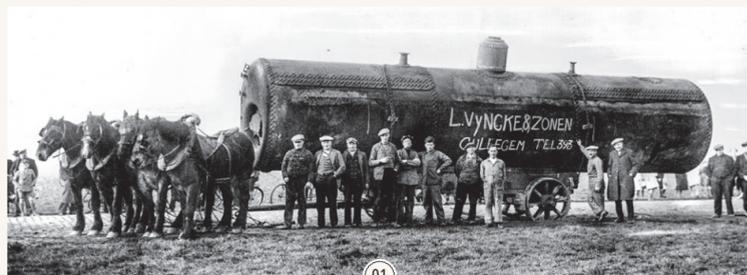
TODAY, with a combined 5th generation brood of nine – Peter has six children and Dieter three – the family makes a systematic effort to ensure the children are grounded in the family legacy and values, and yet still open to alternative careers. After university, the children are offered a one-year internship within the group. They are encouraged to work outside the company for five years, after which they may apply to join the group.

Four times a year, the children are gathered on a Saturday to learn about the business. "We invite external teachers, professors and people from the operating companies. The session may be about combustion and biomass. Educating the next generation is important because you have to pass on the wealth to people who can manage it."

What if none of the children wanted to

"We go to industries and we see their energy needs. Their process has a waste flow, we turn that waste flow into energy."

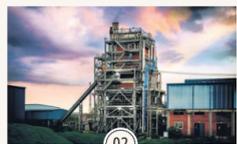
Peter Vyncke



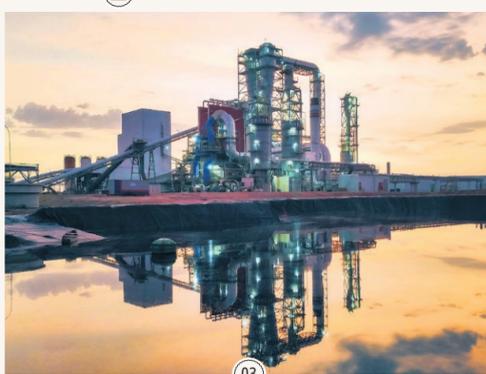
01

THEN AND NOW

1) Louis Vyncke (5th from left) and Vynckeneers in 1927. Horses transporting a flax husk-fired biomass steam boiler. **2)** Sapphire Textiles facility in Pakistan. **3)** Placas do Brasil, a 65 MW energy plant with a VYNCKE water-cooled step grate, located in the north of Brazil.



02



03



04

BUSINESS EXPERIENCE

4) Fifth generation children of Peter and Dieter Vyncke on a combustion grate. After university, the children may do a one-year internship at Vyncke, and are encouraged to work elsewhere for five years.

take over the business? That is "statistically impossible", says Peter. "We're organised with a professional management team. We do not need our children to step in the business to run it. The chances that all nine are capable and willing to succeed us is zero. But the chance that none of the nine is capable and willing is also close to zero."

"My brother and I take care of the company for the next generation. If we sold it, we'd be selling our great-grandfather's legacy, and what would you do with the money? Maybe you can buy a Ferrari but this does not bring happiness. Today we don't have the problem of too much wealth; the wealth is in the business." **W**